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# Airports and Seaports

The Bay Area has three major airports (San Francisco International Airport, Oakland International Airport and San Jose International Airport) and five major seaports (San Francisco, Oakland, Redwood City, Benicia and Richmond). Airports and seaports are included in this

report because they serve as regional gateways and generate considerable ground traffic by cars, trucks and rail. Statistics on air passengers and air and marine cargo are presented to track changes in traffic generated by airports and seaports.

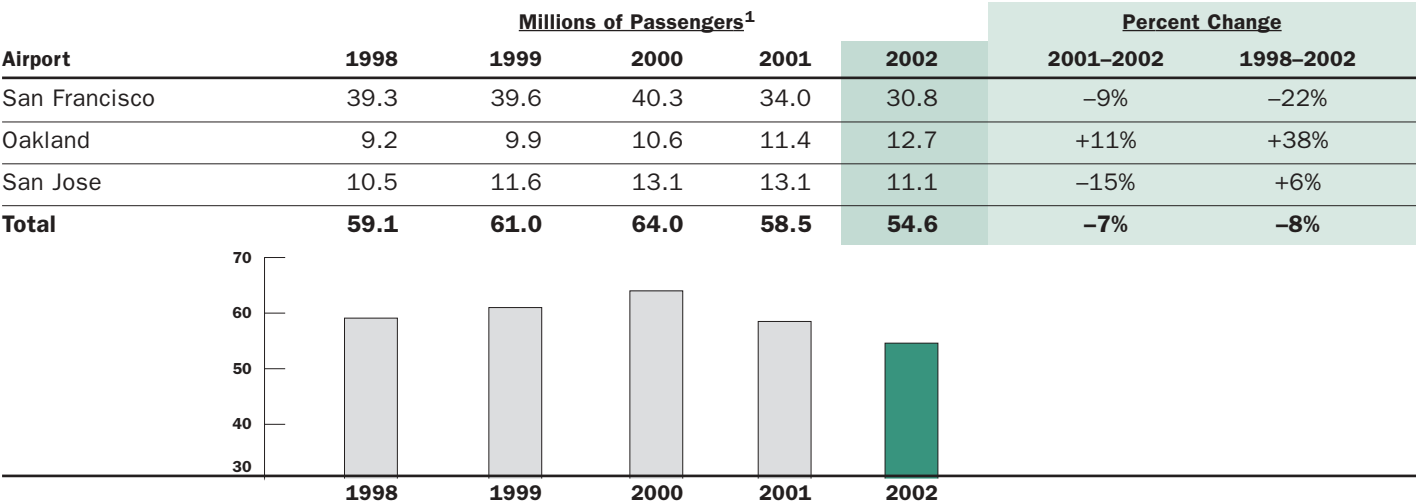
# Slowdown in Air Travel and Trade Continues to Take Toll on Area Airports; Oakland Flies Solo in Bucking Downturn

The lingering impacts of a weak economy and the September 11, 2001 terrorist attacks caused a second straight year of decline in the number of air passengers and the tonnage of air cargo passing through Bay Area airports. The number of air passengers shrank by almost 4 million, a 7 percent drop. Air cargo fared better, but still was off by 1 percent compared to the year-earlier level. In the two years since hitting their high-water mark in 2000, passenger air travel and air cargo shipments are off by 15 percent and 20 percent, respectively. These trends are not unique to the Bay Area, of course, but they

mark a dramatic reversal of the growth in both measures in the years preceding.

Passenger traffic at the region's largest airport, San Francisco International, fell 9 percent in 2002 after dropping 15 percent the year prior. United Airlines, which accounts for nearly half of all operations at SFO, experienced serious financial difficulties last year, eventually declaring bankruptcy. With these problems besetting its leading carrier and amidst an overall slump in business and pleasure travel, SFO was unable to avoid its second straight year of declining passenger volumes. In the South

Air Passengers at Bay Area Airports, 1998 – 2002



Sources: Port of Oakland, San Jose International Airport, San Francisco International Airport

<sup>1</sup>Measured by enplanements and deplanements.

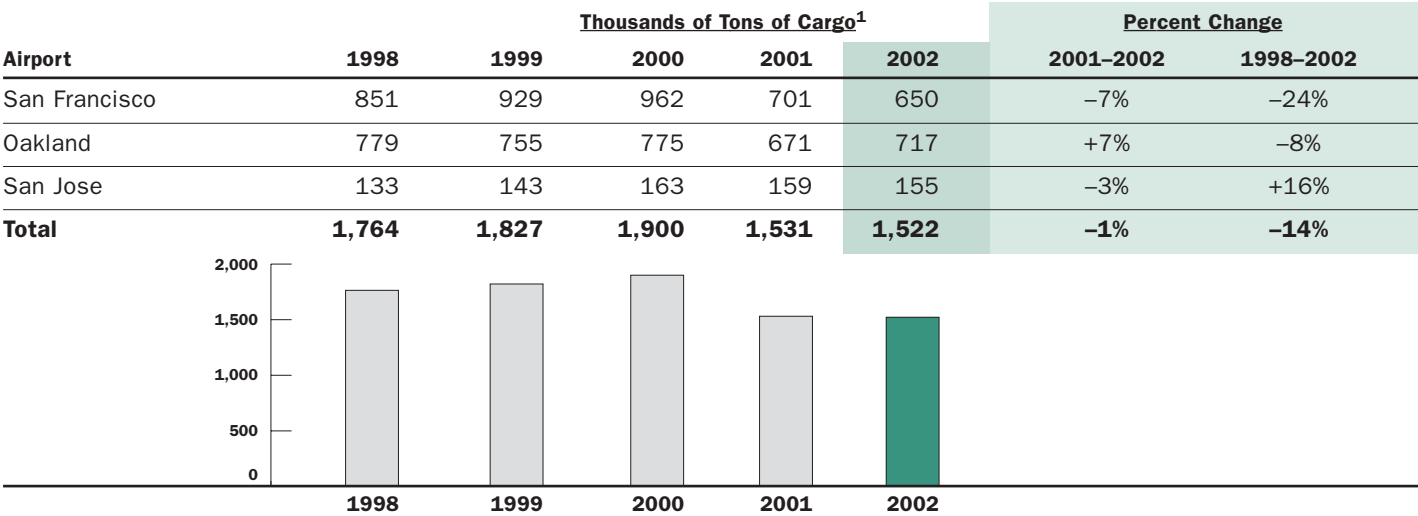
Bay, San Jose International Airport saw passenger travel decline by 15 percent in 2002, nearly erasing several years of steady gains during the tech boom years in the late 1990s.

Standing in stark contrast to the broader regional falloff in airborne activity is the growth recorded by Oakland International Airport, where both air passenger and air cargo volumes registered increases in 2002. Remarkably, the number of passengers utilizing Oakland International's facilities rose by 1.3 million people – 11 percent – in a year in which overall passenger volumes at the region's airports declined by almost 4 million people. This is on top of an 8 percent increase in the prior year, when passenger volumes overall fell by 9 percent.

Oakland's lower landing fees and availability of run-

way space make it an appealing destination for air carriers. In 2002, low-fare carriers Southwest and Jet Blue continued to expand service at Oakland and succeeded in attracting new passengers, and other carriers added new cross-country service. In the cargo area, though Oakland has struggled in recent years along with both San Francisco and San Jose, it was helped in 2002 by a Federal Aviation Administration decision to limit the amount of cargo that passenger flights may carry. As the local hub for both Federal Express and UPS, Oakland International benefited from the resultant diversion of some air freight to cargo-only carriers. This put the East Bay airport back on a growth path, and in 2002 Oakland International surpassed San Francisco International in the volume of air cargo tonnage handled.

Air Cargo at Bay Area Airports, 1998 – 2002



Sources: Port of Oakland, San Jose International Airport, San Francisco International Airport

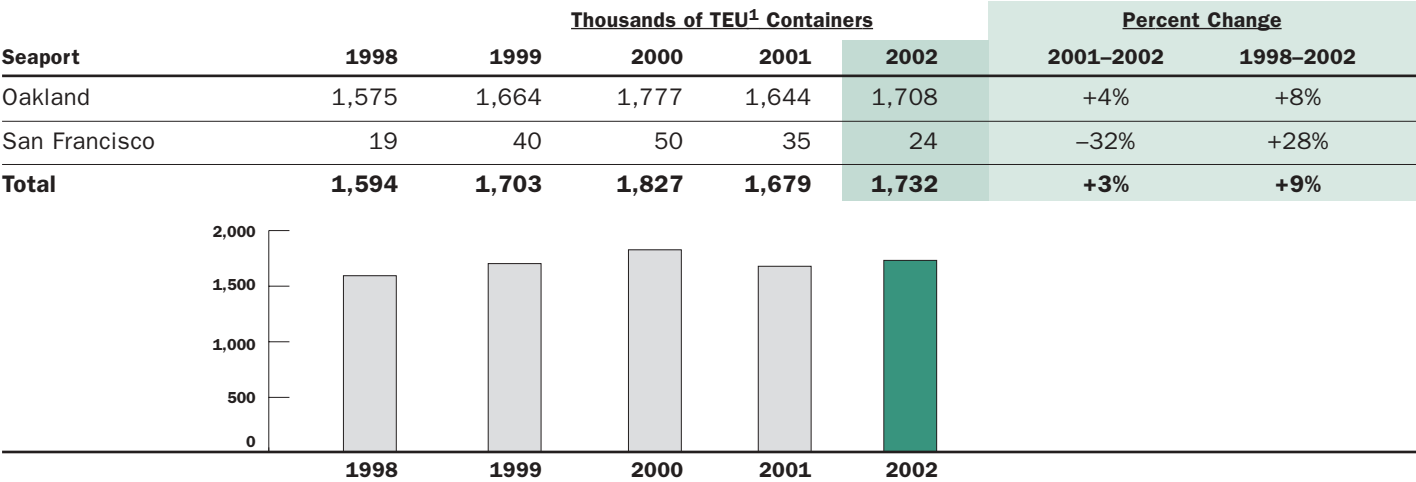
<sup>1</sup>One ton = 2,000 pounds

# Container Cargo Gains Ground Despite Slow Economy, But Bulk Freight Falls Back

It was a tale of two cargoes for the Bay Area in 2002. Containerized cargo, consisting largely of high-value manufactured parts (such as computers, electronics and auto parts), rebounded modestly from the down year suffered in 2001, while bulk cargo (mainly sand, petroleum, cement and wood products) failed to reach the level attained a year ago. Interestingly, the Port of San Francisco sailed against the prevailing tide in both areas; containerized cargo volumes fell by a third while bulk cargo shot up by 50 percent.

The Port of Oakland accounted for the entire increase in containerized cargo (as measured by the industry-standard “twenty-foot equivalent units” TEUs), registering a 4 percent uptick after falling back 7 percent in 2001. Still, cargo levels remain below those achieved in 2000, indicating that the prolonged slump affecting the Bay Area economy has yet to run its course. Container traffic passing through the Port of Oakland accounts for the largest share of tonnage and value of marine cargo at Bay Area ports. Oakland handles about 98 percent of the region’s container traffic.

Container Marine Cargo at Bay Area Seaports, 1998 – 2002



Sources: Ports of Oakland and San Francisco

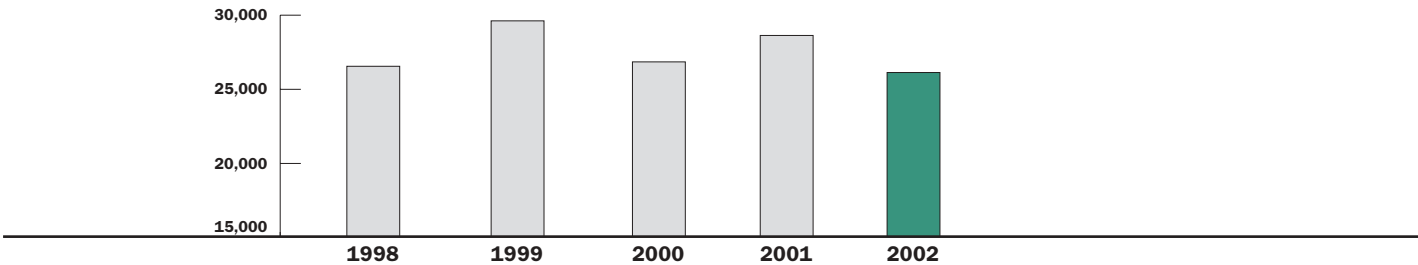
<sup>1</sup>TEU = Twenty-foot equivalent

Bulk freight volumes definitely felt the effects of the sluggish economy in 2002. Overall tonnage was down 9 percent from 2001 levels, which helped tip the longer-range, 1998–2002 trend into negative territory as well. Most of the total decrease can be traced to the drop in cargo at the Port of Richmond, which handles the most tonnage and a large volume of oil and gasoline. The Port of San Francisco stood out as an exception to the slump-

ing activity at other ports. Due largely to higher volumes (made possible by the opening of new dry bulk facilities near the end of 1998) of imported construction products, such as concrete, tonnage crossing the docks of San Francisco soared by 49 percent in 2002, growing from 925 tons to 1,379 tons. All other bulk cargo ports saw tonnage decline last year.

**Bulk Marine Cargo at Bay Area Seaports 1998 – 2002**

Seaport	Thousands of Tons of Bulk Cargo					Percent Change	
	1998	1999	2000	2001	2002	2001–2002	1998–2002
Richmond	22,554	25,167	22,541	24,185	21,977	–9%	–3%
Oakland	2,610	2,080	1,861	1,901	1,445	–24%	–45%
San Francisco	85	937	942	925	1,379	+49%	+1522%
Redwood City	797	1,045	1,103	1,124	1,016	–10%	+27%
Benicia	508	389	405	497	316	–36%	–38%
<b>Total</b>	<b>26,554</b>	<b>29,618</b>	<b>26,851</b>	<b>28,633</b>	<b>26,133</b>	<b>–9%</b>	<b>–2%</b>



Sources: Ports of Benicia, Oakland, Redwood City, Richmond, San Francisco

Note: One ton = 2,000 pounds